## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

January 7, 1993

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

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Donna R. Searcy Secretary Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

Re: In the Matter of Amendment of the Commission's Rules to Establish New Personal Communications Services, Gen Docket No. 90-317

Dear Ms. Searcy:

Please find enclosed for filing an original plus eleven copies of the REPLY COMMENTS Of THE PEOPLE OF THE STATE OF CALIFORNIA AND THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA in the above-referenced docket.

Also enclosed is an additional copy of this document. Please file-stamp this copy and return it to me in the enclosed, self-addressed, postage pre-paid envelope.

Very truly yours,

Ellen S. LeVine

Attorney for California

ESL: 1kw

Enclosure

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BEFORE THE

FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

In the Matter of

Amendment of the Commission's Rules to Establish New Personal Communications Services

GEN Docket No. 90-314 ET Docket No. 92-100

RM-7979, RM-7980

RM-7140, RM-7175, RM-7617, RM-7618, RM-7760, RM-7782, RM-7860, RM-7977, RM-7978,

PP-35 through PP-40, PP-79 through PP-85

REPLY COMMENTS OF THE PEOPLE OF THE STATE OF CALIFORNIA AND THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

The People of the State of California and the Public Utilities Commission of the State of California ("California") hereby submit these reply comments in the above-referenced docket.

As discussed in California's opening comments, California strongly urges the Federal Communications Commission ("FCC") to maximize, to the greatest extent possible, the degree of competition in the public mobile communications market by licensing as many providers of personal communications service ("PCS") in a given geographic market as technically feasible.

The FCC's experience with cellular telephone license duopolies has clearly demonstrated the long-lasting problems presented to regulatory agencies when inadequate competitive opportunities are afforded in the initial licensing scheme for new common carrier radio services. The nation and the citizens of its states can ill afford another wasted opportunity to assure fully competitive and responsive markets for radio services.

Moreover, in order to ensure maximum competition among these providers, California reiterates its position that incumbent cellular licensees and their affiliates should not be eligible for a PCS license. In addition, California reiterates that the FCC carefully consider local exchange company participation in PCS. We would suggest that the Commission consider granting a PCS license to a local exchange carrier only upon the following minimum conditions:

- 1. A local exchange carrier or its affiliate neither has nor acquires any interest in a cellular entity.
- 2. A local exchange carrier or its affiliate is barred from acquiring any interest in any other PCS license in the same geographic market.
- 3. A state regulatory agency is free to fashion regulatory safeguards to ensure that providers of PCS may fully and fairly compete with local exchange carrier providers of PCS within a state.
- 4. A state regulatory agency is free to determine the appropriate regulatory classification governing a local exchange carrier's intrastate provision of PCS.

California recognizes that there are significant advantages to efficient design of local exchange networks in not constraining LECs from using PCS technologies. Such advantages

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may be properly weighed if the minimum conditions noted above are strictly observed to prevent LEC participation from compromising the competitive health of the promising PCS market.

Respectfully submitted,

PETER ARTH, JR. EDWARD W. O'NEILL ELLEN S. LEVINE

By:

Ellen S. LeVine

505 Van Ness Avenue San Francisco, CA 94102 (415) 703-2047

Attorneys for the People of the State of California and the Public Utilities Commission of the State of California

January 7, 1993

## CERTIFICATE OF SERVICE

I, Ellen S. LeVine, hereby certify that on this 7th day of January, 1993 a true and correct copy of the foregoing REPLY COMMENTS OF THE PEOPLE OF THE STATE OF CALIFORNIA AND THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA was mailed first class, postage prepaid to all known parties of record.

Ellen S. LeVine